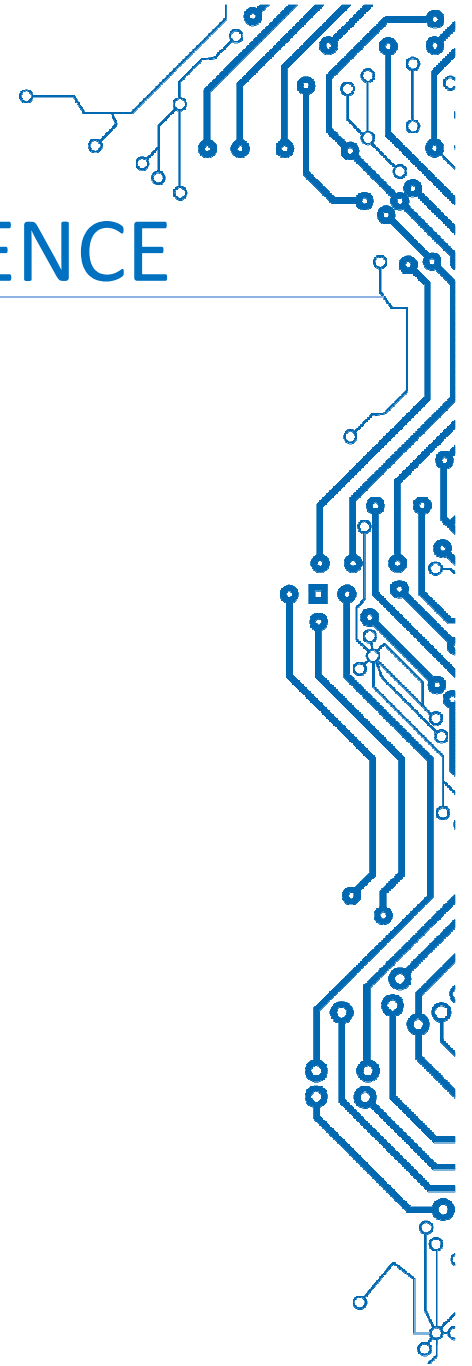


ENG

LONDON STAR CONFERENCE
October 7th, 2016

GEFRAN

07/10/2016



PRODUCT PORTFOLIO IN THE INDUSTRIAL AUTOMATION BUSINESS



WE COVER THE AUTOMATION SUPPLY CHAIN WITH SPECIFIC PRODUCTS

PROCESS



Measurement



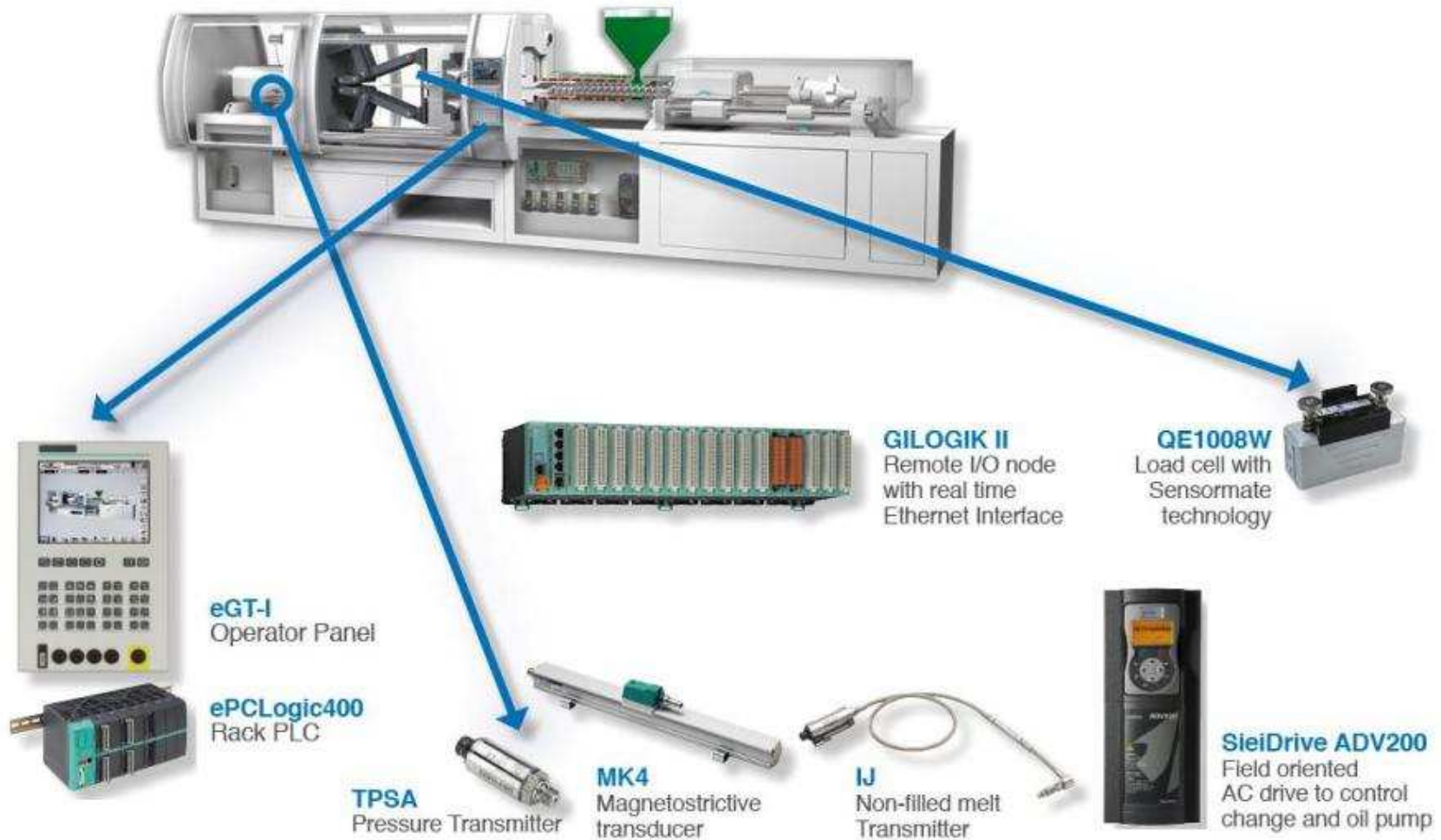
Program &
Control



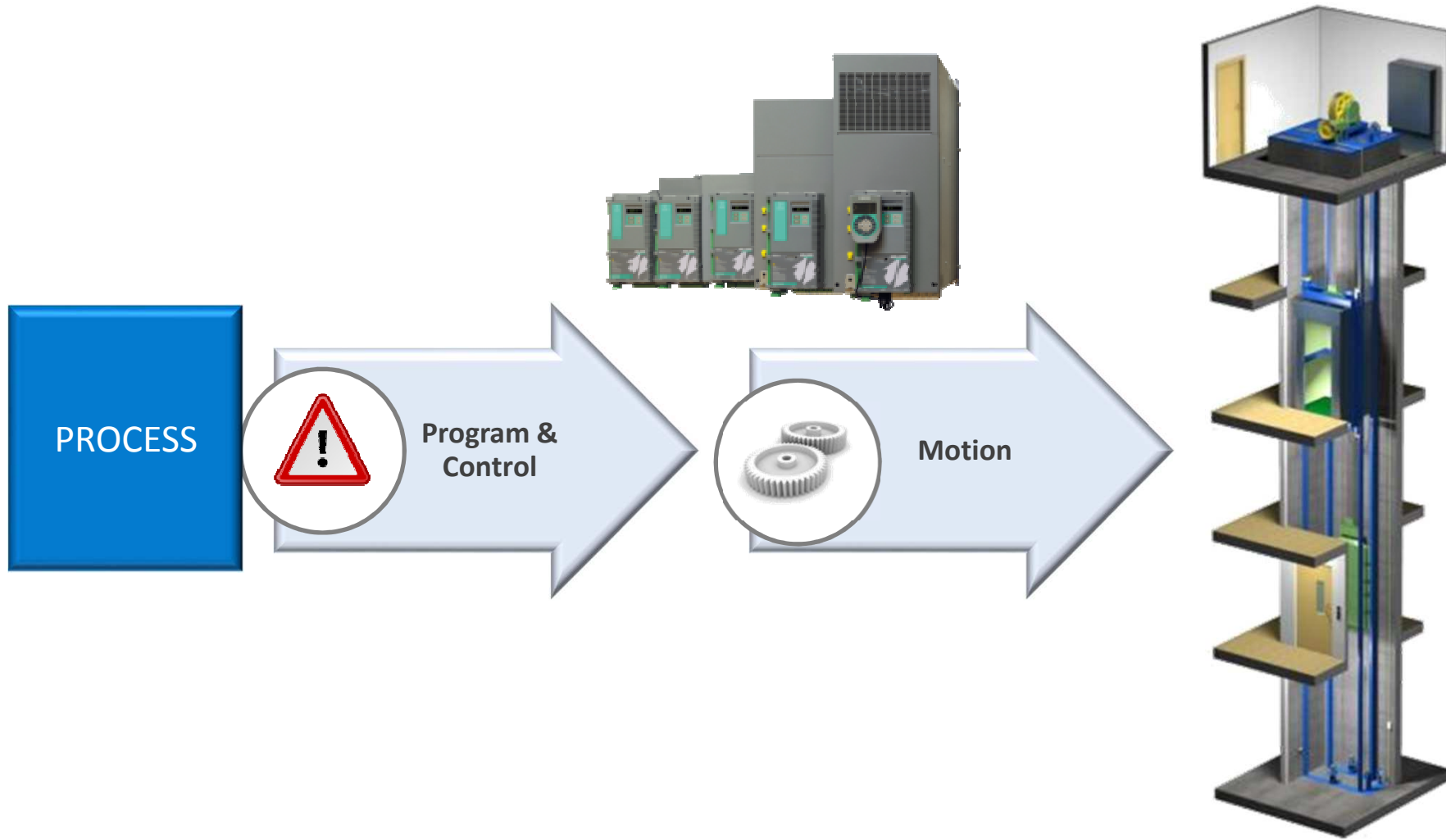
Motion



WE ARE SPECIALIST IN SPECIFIC APPLICATIONS



WE ARE SPECIALIST IN SPECIFIC APPLICATIONS



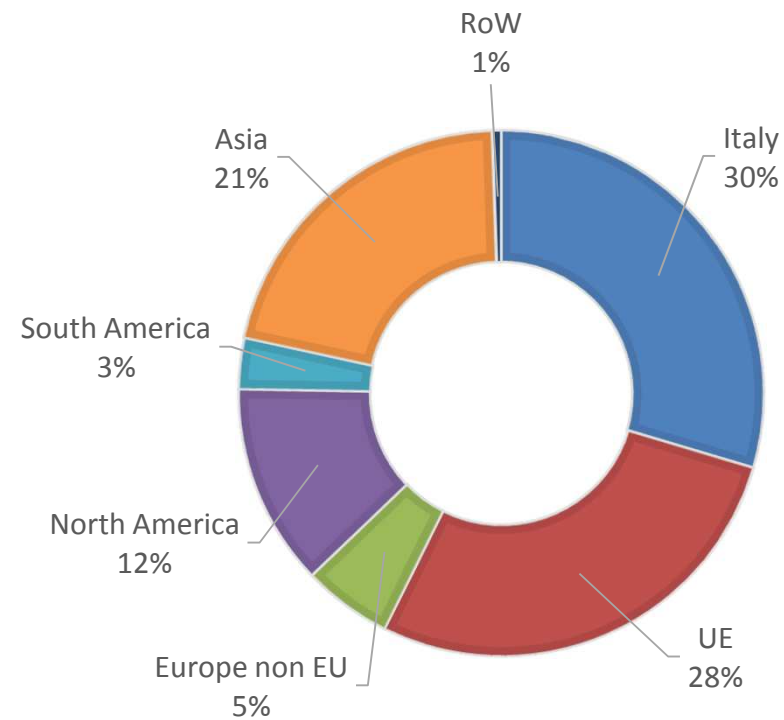
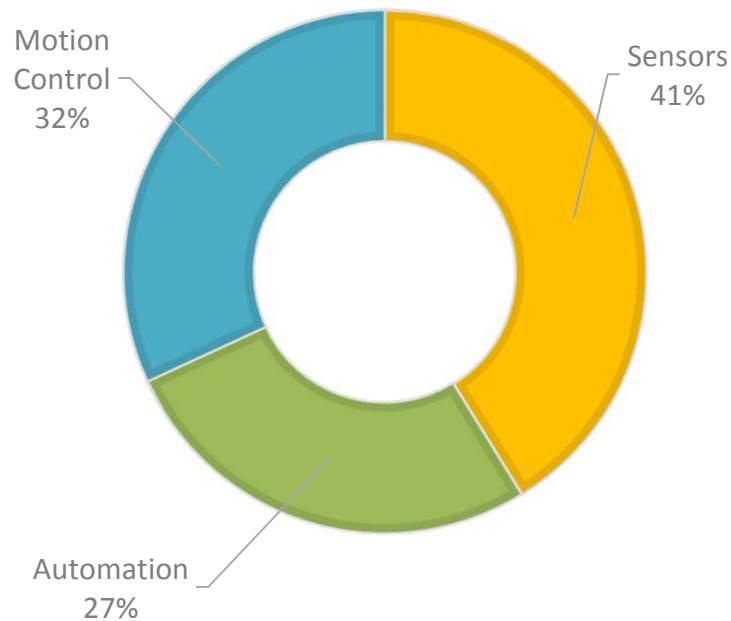
07/10/2016

GEFRAN

Lift system

WE DIRECTLY COVER MATURE AND EMERGING MARKETS WITH A BALANCED PORTFOLIO

- A well balanced business portfolio, with about **70% of products dedicated to industrial applications**
- Gefran **exports about two thirds of its revenues** (1H2016 data)



07/10/2016

GEFRAN

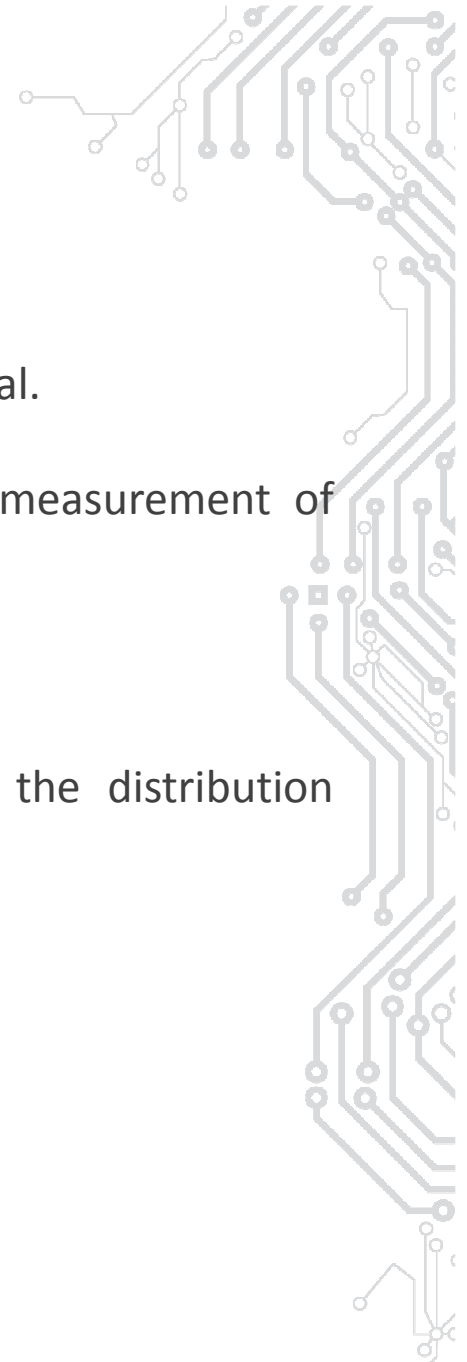
SENSORS

SENSORS – Devices that convert a physical quantity in an electric signal.

Gefran sensors ensure **HIGH ACCURACY** and **RELIABILITY** to the measurement of process variables: PRESSURE, POSITION, TEMPERATURE and FORCE.

Gefran sensors are used in a variety of industries.

Critical success factors: technology, product quality, presence in the distribution channels.



AUTOMATION COMPONENTS

INSTRUMENTS - Hardware and software for indication and regulation of process variables.

Gefran instruments have set market standards.

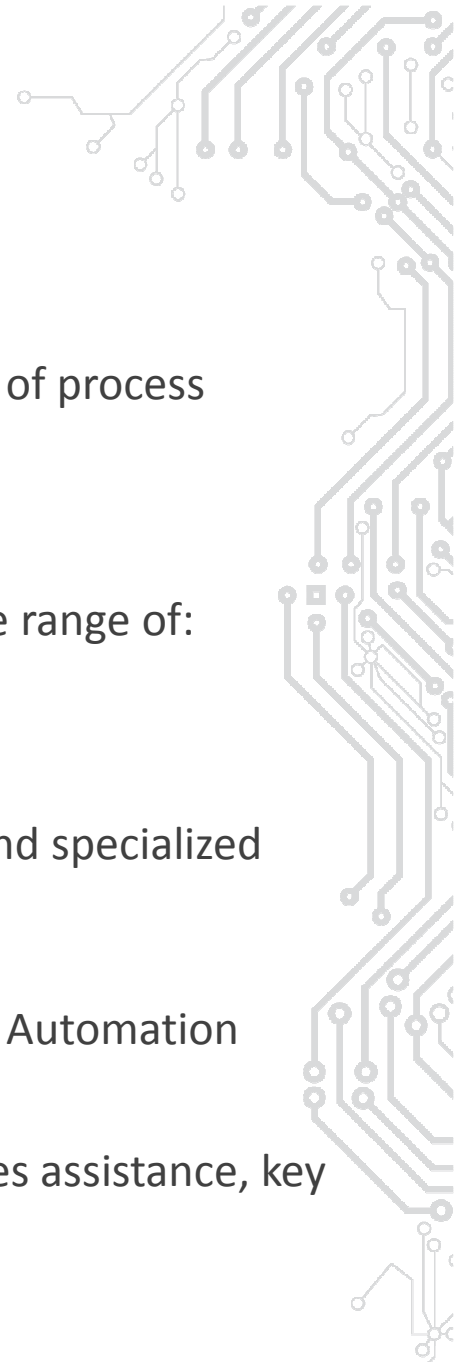
Gefran is leader in temperature controllers segment thanks to its wide range of:

- Indicators
- High performance controllers and programmers

Critical success factors: capillary distribution chain (both generalists and specialized distributors), application know how.

PC & PLC - hardware and software for regulation of process variables: Automation platforms, HMI, PLC, Software

Critical success factors: reputation, technical service, pre and post sales assistance, key account references.





MOTION CONTROL

MOTION CONTROL – Drives for the speed control of AC, DC and brushless motors

INDUSTRIAL APPLICATIONS - High power inverters with or without combination with regenerative power supplies, with different technological product levels.

Critical success factors: wide range, personalization.

CIVIL APPLICATIONS- High power inverters with or without combination with regenerative power supplies, with different technological levels of product.

Critical success factors: technology, know-how, performance e reliability.

CUSTOM PROJECTS- Inverters that meet different application requirements, are based on specific application software. Examples: Plastic – Wellness

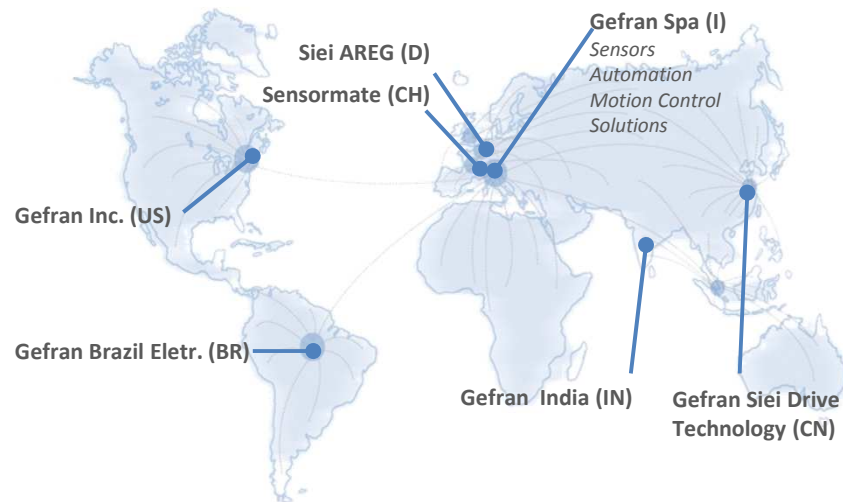
OUR COMPETITIVE ADVANTAGE

R&D – TECHNOLOGY DEVELOPEMENT
DESIGN AND PRODUZION FLEXIBILITY
APPLICATION KNOW HOW

The technological evolution of its products is an important factor for potential future growth, **Gefran typically invests more than 6% of its turnover to R&D activities** which are concentrated mainly in Italy in company laboratories located in Provaglio d’Iseo and Gerenzano. **10% of the total workforce is dedicated to R&D activities.**



WE ARE PRESENT IN RELEVANT MARKETS WITH PRODUCTION SITES AND COMMERCIAL SUBSIDIARIES

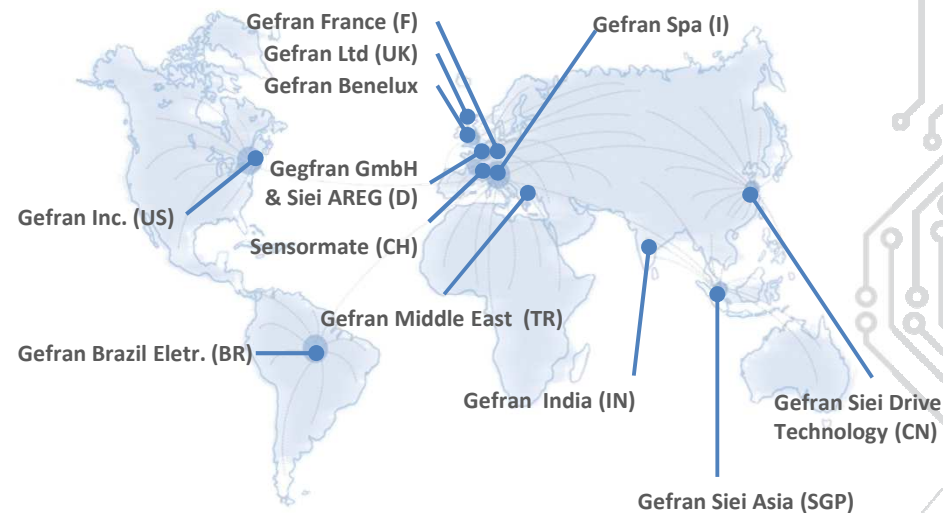


11 production sites

- 4 Sensors
- 2 Automation components
- 4 Motion Control
- 1 Solutions

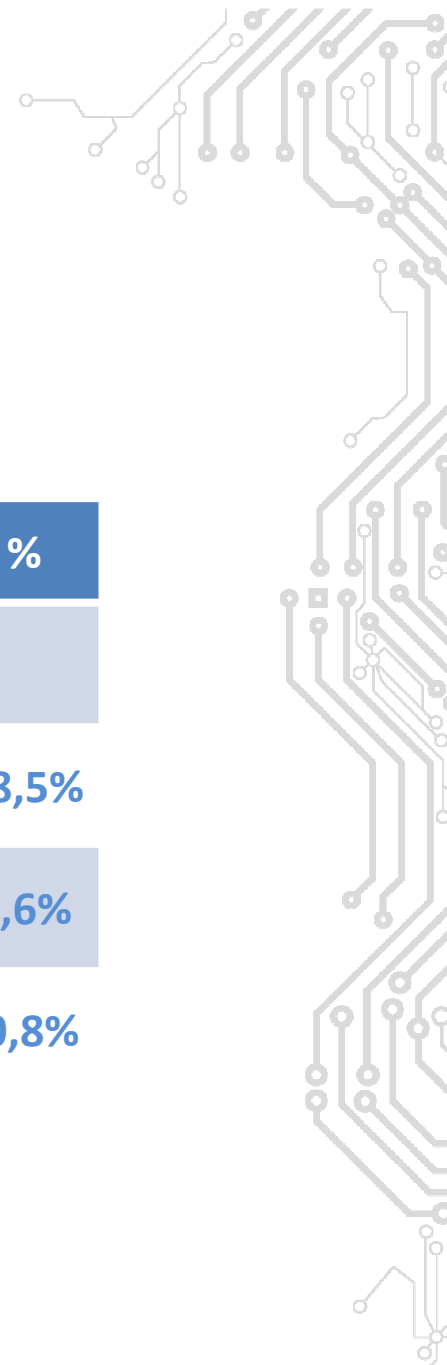
52 countries served with 16 trade organizations

- 6 subsidiaries in Europe in addition to Gefran Spa
- 4 subsidiaries in Asia
- 1 subsidiary in Latin America
- 1 subsidiary in US



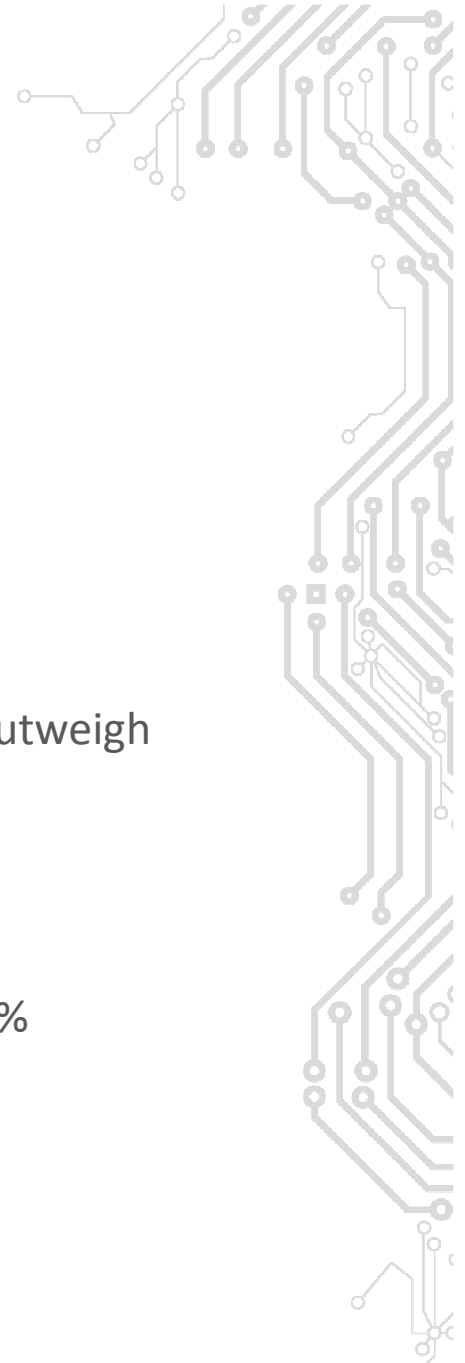
1st SEMESTER RESULTS

€'000	30-06-2016	%	30-06-2015	%
REVENUES	59.662		59.865	
VALUE ADDED	40.297	67,5%	41.043	68,5%
EBITDA	4.626	7,8%	2.737	4,6%
EBIT	1.512	2,5%	(460)	-0,8%



1st SEMESTER RESULTS: KEY FACTS

- Revenues stable
 - Well North America and Europe, driven by Germany
 - In contraction Asia and South America (exchange rate)
 - The order Backlog grew by 23%
- Decreased personnel costs, benefits of the Group reorganization outweigh restructuring costs effect
- PFN in improvement
- Sold part of the photovoltaic branch, with a put option for the 100%



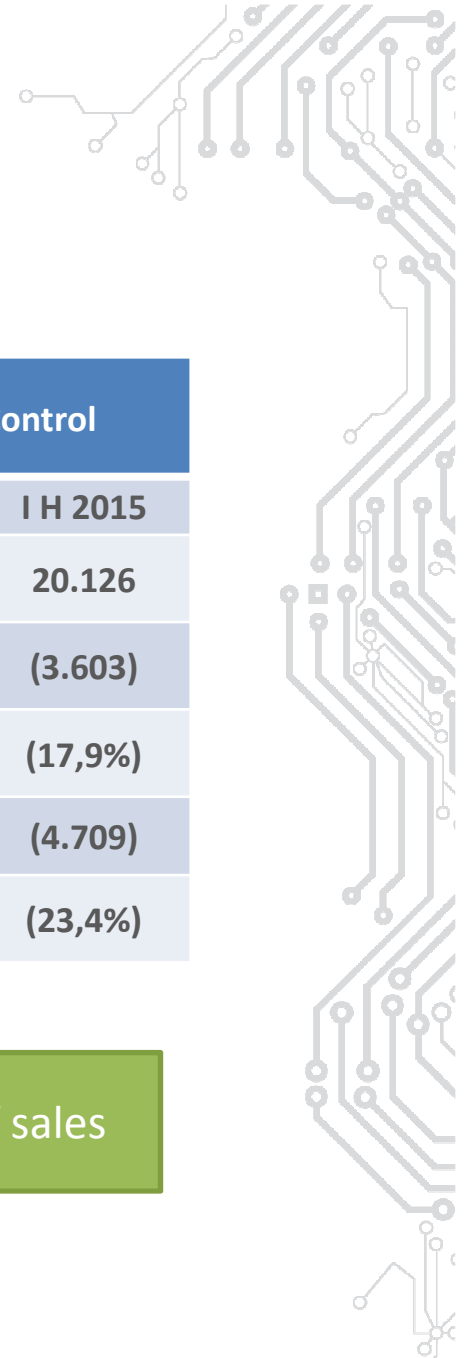
BUSINESS AREA RESULTS at 30th June

	Sensors		Automation components		Motion Control	
	I H 2016	I H 2015	I H 2016	I H 2015	I H 2016	I H 2015
in €'000						
REVENUES	25.237	25.046	16.484	16.494	19.536	20.126
EBITDA	6.678	6.125	680	215	(2.732)	(3.603)
EBITDA %	26,5%	24,5%	4,1%	1,3%	(14%)	(17,9%)
EBIT	5.576	5.077	(253)	(828)	(3.811)	(4.709)
EBIT %	22,1%	20,3%	(1,5%)	(5 %)	(19,5%)	(23,4%)

32% of sales

41% of sales

27% of sales

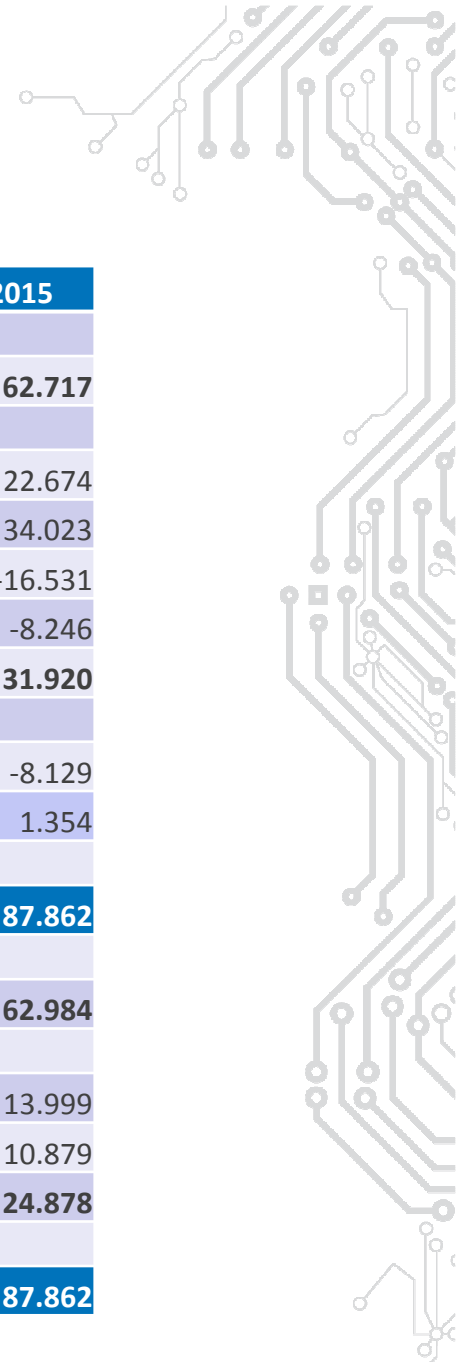


GEOGRAPHICAL AREA RESULTS at 30th of June

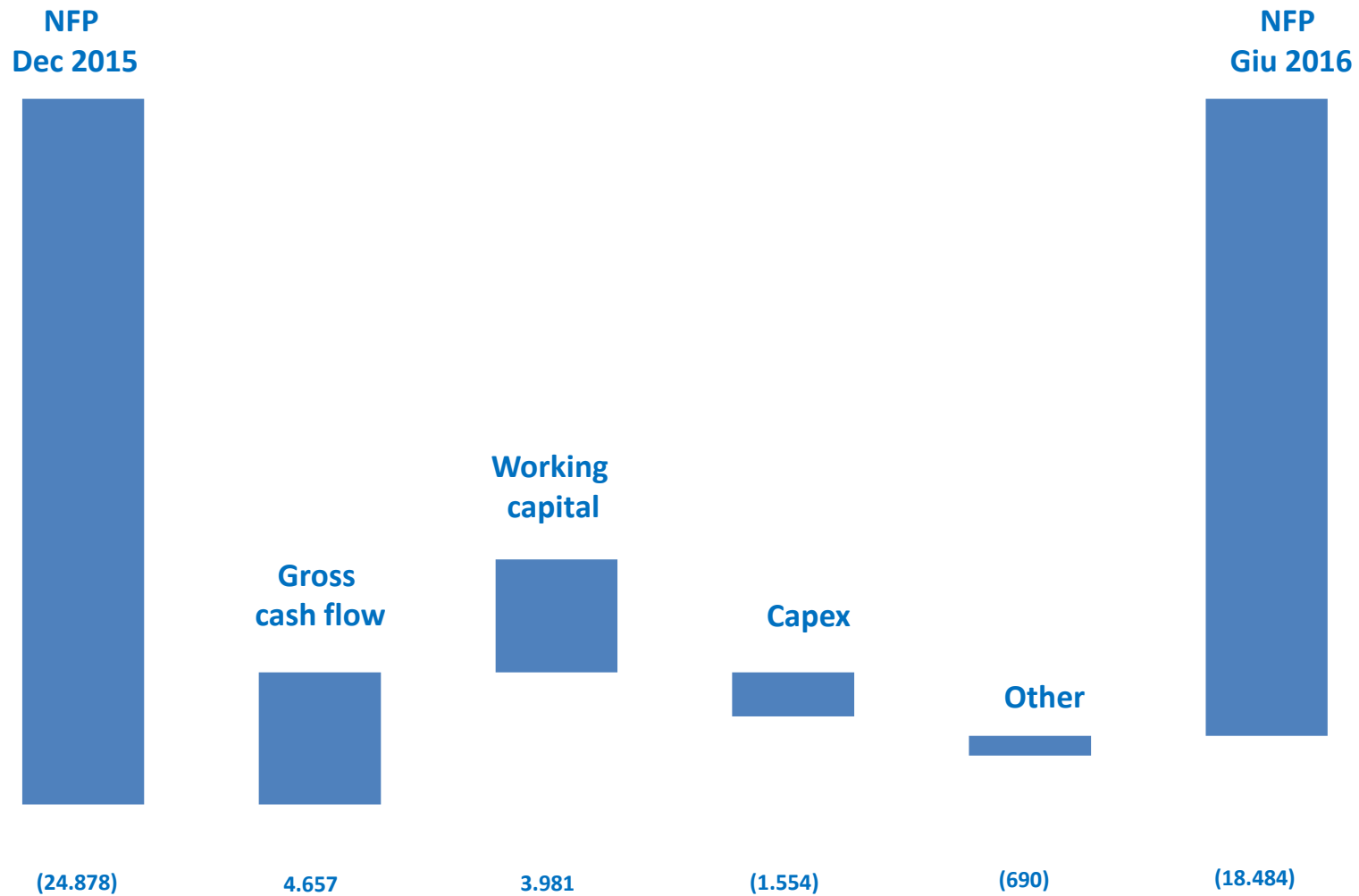
in €'000	I H 2016	%	I H 2015	%	Δ
ITALY	17.649	29,6%	17.715	29,6%	-0,4%
EU	16.567	27,8%	16.378	27,4%	+1,2%
EUROPA NON EU	3.274	5,5%	3.212	5,4%	+1,9%
NORTH AMERICA	7.416	12,4%	6.918	11,6%	+7,2%
SOUTH AMERICA	1.875	3,1%	2.337	3,9%	-19,8%
ASIA	12.567	21,1%	13.034	21,8%	-3,6%
ROW	314	0,5%	271	0,5%	15,9%

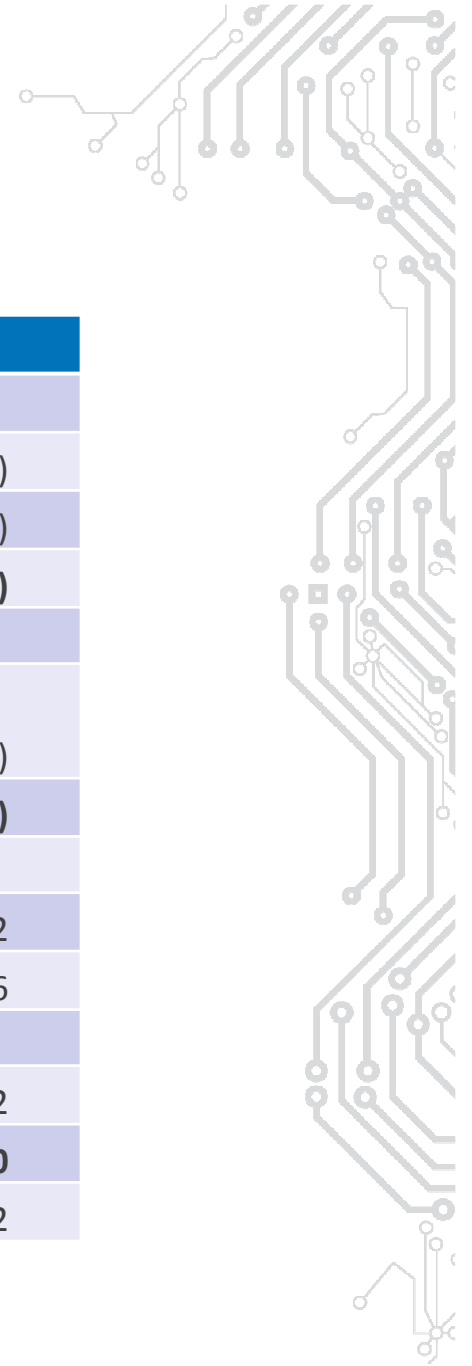
BALANCE SHEET

€'000	30 June 2016	30 June 2015
Net fixed assets	60.833	62.717
Inventories	22.766	22.674
Trade receivables	31.926	34.023
Trade payables	-18.507	-16.531
Other net assets/payables	-7.861	-8.246
Net Working Capital	28.324	31.920
Other non current assets	-9.320	-8.129
Asset available for sales	1.214	1.354
Net Invested Capital	81.051	87.862
Shareholders' Equity	62.567	62.984
Short-term Financial Debt	-2.233	13.999
Long-term Financial Debt	20.717	10.879
Net Financial Position	18.484	24.878
Total Sources of Funding	81.051	87.862



NET FINANCIAL POSITION 30 JUNE 2016 (€'000)





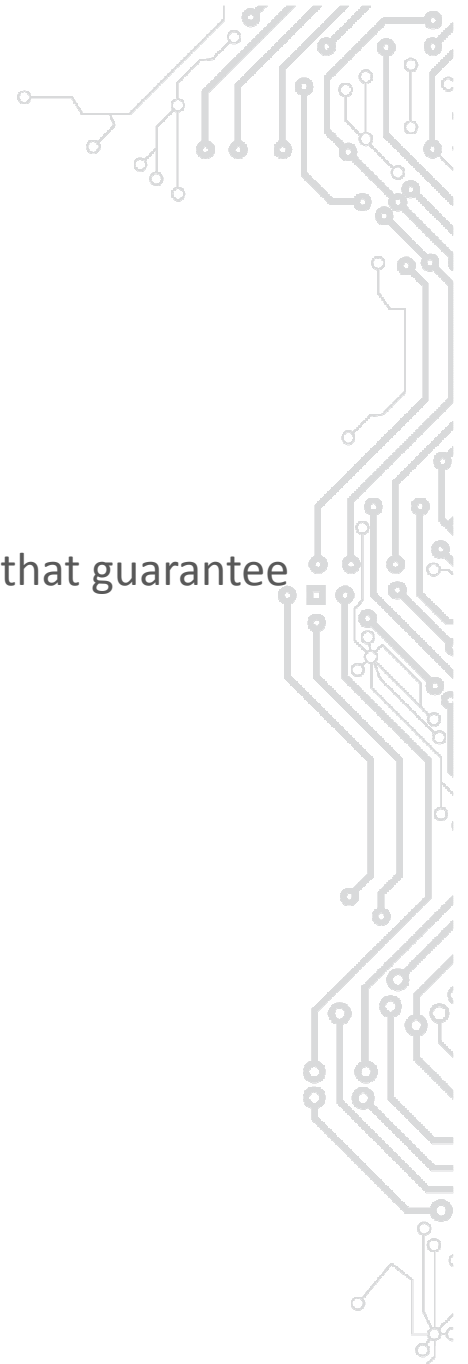
CASH FLOW

€'000	2016	2015
Gross Cash flow	4.657	(483)
Change in Working Capital	3.981	(986)
Operating Cash flow	8.638	(1.469)
Cash flow used in Capex and investment activities	(1.554)	(2.629)
Free Cash flow	7.084	(4.098)
Cash flow from(to) financing activities	(11.792)	5.942
Dividends paid and Other	454	556
Opening Cash & Cash equivalents	24.602	20.732
Cash Increase (Decrease)	(4.254)	2.400
Closing Cash & Cash equivalents	20.348	23.132

TARGET 2016

SUSTAINABLE GROWTH: back to profitability

- Investment and commercial actions aimed at the sensors business that guarantee most of the Group's business margins
- Improving components performances
- Decreasing absorption of resources by the Motion



TARGET 2016

- SENSORS AND COMPONENTS → Integration of the sales and marketing organization to increase efficiency and optimize synergies
- MOTION CONTROL → Specialized sales force driven independently and directly directed on the market: in the short term we aim margins recovery not to revenue growth
- Restructuring plan in Gefran Spa: April-December 2016
- Saving of costs and lighten structures

EBITDA 8%
EBIT 3 / 3,5%

